ENERGY STAR is a top performing national and international trademark of the U.S. Environmental Protection Agency (U.S. EPA). The ENERGY STAR mark is recognized by 91 percent of U.S. households, and about 45 percent of households in a given year knowingly purchase an ENERGY STAR-certified product. The mark enjoys high regard among consumers. Eighty-five percent of households that report knowingly purchasing an ENERGY STAR product are likely to recommend others do so. In addition to associating ENERGY STAR with energy efficiency, many consumers also associate ENERGY STAR with better product benefits, better value, contributing to society and protecting the environment for future generations. ¹

The ENERGY STAR Program's success for the past 25 years is attributable to the fact that an unbiased entity—the U.S. EPA--designs and implements the program to serve the entire nation rather than favoring the interests of any one stakeholder, group, or perspective. (b) (5) deliberative

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EPA ensures that the ENERGY STAR label delivers on consumer and partner expectations regarding real savings and gives partners the tool they need to differentiate their efficient products.

Consumers, utilities, and retailers all rely on the ENERGY STAR to highlight products that deliver real consumer savings and value. Consumers need a trustworthy, easy to understand label to direct them to their best product choices. Utilities who must demonstrate savings to rate payers, need a credible program on which to base their savings. Retailers need a known and trusted tool to sell efficient products. Manufacturers of efficient products rely on the ENERGY STAR to differentiate their products from conventional products and to enable them to recoup their investment in efficiency.

(b) (5) deliberative

As the manager of the ENERGY STAR program, EPA acts as a fair arbiter of competing interests and develops efficiency specifications for the voluntary label that balances the expectations of a wide range of stakeholders. (b) (5) deliberative

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Overcoming barriers to improving the efficiency of products across the US market and in doing so saving consumers on their utility bills requires work with a wide range of market actors, a job the US government is uniquely situated to do. These barriers vary by product category and range from lack of a measurement standard for efficiency, lack of efficient supply, lack of market drivers for manufacturers

¹ National Awareness of ENERGY STAR for 2016. Analysis of CEE Household Survey. <u>www.energystar.gov/awareness</u>

and retailers, to lack of consumer awareness. Numerous market players are key to overcoming these barriers-manufacturers of more than 70 product types, utilities in widely differing markets, national and regional retailers, and consumers with different needs and interests. A national, neutral entity with wide ranging and deep relationships-EPA-is critical to bringing all of these market players-16,000 ENERGY STAR partners and counting- together to transform the market.

ENERGY STAR is Leveraged by 700 Utilities to Meet their Mandates

Regulated, public, and municipal utilities that collectively serve more than 85% of residential households leverage ENERGY STAR as the marketing platform for their local programs. It may seem counterintuitive that utilities that sell energy would want their customers to use less of it—but they do so for a number of important reasons: to help customers manage energy costs, to meet regulatory mandates that growing energy demand be addressed in the least costly way (keeping rates lower over the long run), and to build customer satisfaction. According to JD Powers, customers who are aware of and participate in energy efficiency programs are more likely to report high satisfaction with their utility—there is an 87-point bump in the JD Power Customer Satisfaction Index (CSI) associated with customers who received rebates on ENERGY STAR appliances from their utility,²

ENERGY STAR serves several important functions for our utility partners. It defines efficiency in a credible way for state and utility regulators; it makes it easy for customers to identify products that are eligible for programs; and it ensures availability of supply through its open and transparent specification development process and network of partners. It also reduces uncertainty—relieving the utility of the burden of picking winners and losers in sometimes rapidly evolving markets. In addition, the program requires that products be independently tested by third-parties prior to certification and requires off the shelf verification testing, ensuring delivery on energy performance, thus alleviating one aspect of verifying energy efficiency savings claims.

(b) (5) deliberative

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While some of the products ENERGY STAR certifies have requirements that are unique to North American markets, many are sold globally. EPA is in a unique position to engage in international dialogue in setting voluntary efficiency levels and related test procedures that will work for global markets saving manufacturing partners significant resources.

Federal Leadership of ENERGY STAR Directed by the Energy Policy Act

EPA Management Meets Congress' Mandate in the Energy Policy Act

The ENERGY STAR program was established by EPA in 1992, under the authority of the Clean Air Act Section 103(g), among others. Section 103(g) of the Clean Air Act directs the Administrator to "conduct a basic engineering research and technology program to develop, evaluate, and demonstrate non-

² The CSI for customers who received rebates on ENERGY STAR appliances was 750 compared to an average CSI of 663 according to the JD Powers 2015 Consumer Engagement Study. ("An overall satisfication score of 718 is where the highest performing utilities generally score." Source: Smith, Dennis L. "Factoring in Efficiency, The Relationship between J.D. Power Consumer Satisfaction Rating and Energy Efficiency Programs." AESP Magazine 2016 Issue.

regulatory strategies and technologies for reducing air pollution." In 2005, Congress enacted the Energy Policy Act. Section 131 of the Act amends Section 324 (42 USC 6294) of the Energy Policy and Conservation Act, and requires, among other provisions, that the Administrator of EPA and the Secretary of DOE work jointly 1) to promote ENERGY STAR compliant technologies as the preferred technologies in the marketplace for achieving energy efficiency and reducing pollution; 2) to enhance public awareness of the ENERGY STAR label; 3) to preserve the integrity of the ENERGY STAR label; 4) to regularly update ENERGY STAR products criteria; and 5) to solicit comments from interested parties prior to establishing or revising an ENERGY STAR product category, specification, or criterion.³



(b) (5) deliberative

For 25 years, EPA, in partnership with thousands of private sector partners, have showed the market how public-private partnerships and voluntary programs can deliver measurable, cost effective results.

(b) (5) deliberative